

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Ma

February 15, 2011

An act to amend Section 53395.1 of, and to add Sections 53395.7.5 and 65460.2.5 to, the Government Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as introduced, Ma. Local planning: transit village development districts.

The Transit Village Development Planning Act of 1994 authorizes a city or county to create a transit village plan for a transit village development district that addresses specified characteristics. Existing law authorizes the legislative body of the city or county to adopt an infrastructure financing plan, create an infrastructure financing district, and issue bonds for which only the district is liable, to finance specified public facilities, upon voter approval.

This bill would eliminate the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit village development district. The bill would require a city or county that uses infrastructure financing district bonds to finance its transit village development district to use at least 20% of the revenue from those bonds for the purposes of increasing, improving, and preserving the supply of lower and moderate-income housing; to require that those housing units remain available and occupied by moderate-, low-, very low, and extremely low income households for at least 55 years for rental units and 45 years for owner-occupied units; and to rehabilitate, develop, or construct for rental or sale to persons and

families of low or moderate income an equal number of replacement dwellings to those removed or destroyed from the low- and moderate-income segment of the housing market as a result of the development of the district, as specified. The bill would set forth the findings and declarations of the Legislature, and the intent of the Legislature that the development of transit village development districts be environmentally conscious and sustainable, and that related construction meet or exceed the requirements of the California Green Building Standards Code.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:
- 3 (1) Federal, state, and local governments in California are
4 investing in new and expanded transit systems in areas throughout
5 the state, including Los Angeles County, the San Francisco Bay
6 area, San Diego County, Santa Clara County, and Sacramento
7 County.
- 8 (2) This public investment in transit is unrivaled in the state's
9 history and represents well over ten billion dollars
10 (\$10,000,000,000) in planned investment alone.
- 11 (3) Recent studies of transit ridership in California indicate that
12 people who live within a one-half mile radius of transit stations
13 utilize the transit system in far greater numbers than does the
14 general public living elsewhere.
- 15 (4) The planning strategy of clustering housing and commercial
16 development around transit stations, and the creation of transit
17 villages pursuant to that strategy, has gained momentum in recent
18 years.
- 19 (5) Only a few transit stations in California have any
20 concentration of housing in close proximity to the station.
- 21 (6) The greater use of public transit facilitated by the
22 development of transit villages improves local street, road, and
23 highway congestion by providing viable alternatives to automobile
24 use.
- 25 (7) The development of transit village development districts
26 can improve environmental conditions by increasing the use of

1 public transit, facilitating the creation of and improvements to
2 walkable, mixed-use communities, and decreasing automobile use.

3 (8) Transit-oriented development can improve local and regional
4 economies by providing appropriate commercial and residential
5 development opportunities, including investment in local transit
6 village development, job creation through the construction of
7 related facilities, and job creation through employment
8 opportunities associated with related entertainment, retail,
9 residential, and other mixed-use development.

10 (9) Facilitating the use of infrastructure financing districts for
11 transit village development could provide local jurisdictions with
12 a cost-effective tool for pursuing transit-oriented development
13 projects.

14 (10) Tax-increment financing of transit village development
15 districts will provide a new tool for green development to help
16 achieve sustainable communities strategy and regional
17 transportation plan goals of Senate Bill 375 (Chapter 728 of the
18 Statutes of 2008), as well as the greenhouse gas reduction goals
19 of Assembly Bill 32 (Chapter 488 of the Statutes of 2006).

20 (11) Tax-increment financing has been a useful tool for local
21 government to fund redevelopment projects, and the need for the
22 state to continue to provide local governments with revenue
23 generating infrastructure financing tools during difficult economic
24 times. Local governments will benefit greatly from the expanded
25 use of infrastructure financing districts for the delivery of
26 transit-oriented development and related low-income housing.

27 (b) It is the intent of the Legislature that the development of
28 transit village development districts throughout the state be
29 environmentally conscious and sustainable, and that related
30 construction meet or exceed the requirements of the California
31 Green Building Standards Code, Part 11 of Title 24 of the
32 California Code of Regulations, or its successor code.

33 SEC. 2. Section 53395.1 of the Government Code is amended
34 to read:

35 53395.1. Unless the context otherwise requires, the definitions
36 ~~contained in this article~~ *following definitions* shall govern the
37 construction of this ~~chapter~~ *chapter*:

38 (a) “Affected taxing entity” means any governmental taxing
39 agency ~~which~~ *that* levied or had levied on its behalf a property tax
40 on all or a portion of the property located in the proposed district

1 in the fiscal year prior to the designation of the district, but not
2 including any county office of education, school district, or
3 community college district.

4 (b) “City” means a city, a county, or a city and county.

5 (c) “Debt” means any binding obligation to repay a sum of
6 money, including obligations in the form of bonds, certificates of
7 participation, long-term leases, loans from government agencies,
8 or loans from banks, other financial institutions, private businesses,
9 or individuals.

10 (d) “Designated official” means the city engineer or other
11 appropriate official designated pursuant to Section 53395.13.

12 (e) (1) “District” means an infrastructure financing district.

13 (2) An infrastructure financing district is a “district” within the
14 meaning of Section 1 of Article XIII A of the California
15 Constitution.

16 (f) “Infrastructure financing district” means a legally constituted
17 governmental entity established pursuant to this chapter for the
18 sole purpose of financing public facilities.

19 (g) “Landowner” or “owner of land” means any person shown
20 as the owner of land on the last equalized assessment roll or
21 otherwise known to be the owner of the land by the legislative
22 body. The legislative body has no obligation to obtain other
23 information as to the ownership of land, and its determination of
24 ownership shall be final and conclusive for the purposes of this
25 chapter. A public agency is not a landowner or owner of land for
26 purposes of this chapter, unless the public agency owns all of the
27 land to be included within the proposed district.

28 (h) “Legislative body” means the city council or board of
29 supervisors.

30 (i) “*Transit facility*” includes, but is not limited to, any publicly
31 owned facility and amenity necessary to implement a transit village
32 plan adopted pursuant to Article 8.5 (commencing with Section
33 65460) of Chapter 3 of Division 1 of Title 7.

34 SEC. 3. Section 53395.7.5 is added to the Government Code,
35 to read:

36 53395.7.5. With respect to an infrastructure financing district
37 proposed to implement a transit village plan adopted pursuant to
38 Article 8.5 (commencing with Section 65460) of Chapter 3 of
39 Division 1 of Title 7, an election is not required to form an
40 infrastructure financing district, adopt an infrastructure financing

1 plan, or issue bonds pursuant to this chapter. Any other provision
2 of this chapter applies to the formation of an infrastructure
3 financing district and the adoption of an infrastructure financing
4 plan.

5 SEC. 4. Section 65460.2.5 is added to the Government Code,
6 to read:

7 65460.2.5. If a city, county, or city and county finances any
8 portion of a district, as defined in this article, under the provisions
9 of Chapter 2.8 (commencing with Section 53395) of Part 1 of
10 Division 2 of Title 5, the city, county, or city and county shall do
11 all of the following:

12 (a) Use at least 20 percent of all revenues derived from the
13 property tax increment under Chapter 2.8 (commencing with
14 Section 53395) of Part 1 of Division 2 of Title 5 for the purposes
15 of increasing, improving, and preserving the supply of lower and
16 moderate-income housing available in the district at affordable
17 housing cost, as defined in Section 50052.5 of the Health and
18 Safety Code, and occupied by persons and families of low or
19 moderate income, as defined in Section 50093 of the Health and
20 Safety Code, lower income households, as defined in Section
21 50079.5 of the Health and Safety Code, very low income
22 households, as defined in Section 50105 of the Health and Safety
23 Code, and extremely low income households, as defined in Section
24 50106 of the Health and Safety Code. The amount of very low,
25 low- and moderate-income housing shall be in compliance with
26 the Community Redevelopment Law (Part 1 (commencing with
27 Section 33000) of Division 24 of the Health and Safety Code) and
28 any adopted policies of the city, county, or city and county that
29 adopted the transit village plan.

30 (b) Require that housing units described in subdivision (a)
31 remain available at affordable housing cost to, and occupied by,
32 persons and families of low or moderate income and very low
33 income and extremely low income households for the longest
34 feasible time, but for not less than 55 years for rental units and 45
35 years for owner-occupied units. The covenants or restrictions
36 implementing this requirement shall be in compliance with
37 subdivision (f) of Section 33334.3 of the Health and Safety Code.

38 (c) Rehabilitate, develop, or construct, or cause to be
39 rehabilitated, developed, or constructed for rental or sale to persons
40 or families of low or moderate income an equal number of

- 1 replacement dwelling units that have an equal or greater number
2 of bedrooms as the destroyed or removed units, at affordable
3 housing costs within the district, and within four years after the
4 destruction or removal, whenever dwelling units housing persons
5 or families of low or moderate income are destroyed or removed
6 from the low- and moderate-income housing market as part of the
7 development of a district that is subject to a written agreement
8 with the city, county, or city and county, or when financial
9 assistance has been provided by the city, county, or city and county.
10 The replacement dwelling units shall be available at affordable
11 housing cost to, and occupied by, persons and families in the same
12 or a lower income category as the persons and families displaced
13 from those destroyed or removed units.
- 14 (d) Include in the transit village plan both of the following:
- 15 (1) As one of the five demonstrable public benefits required by
16 subdivision (f) of Section 65460.2, either an increased stock of
17 affordable housing or live-travel options for transit-needy groups.
- 18 (2) Provisions to implement subdivisions (a) and (b) and
19 paragraph (1).